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LISTING STATEMENT No. 2052

LISTED MAY 4th, 1960
475,000 common shares without par value
Ticker abbreviation "STF"
Post section 11
Industrial commissions shall apply.

TORONTO STOCK EXCHANGE

LISTING STATEMENT

STAFFORD FOODS LIMITED

(Incorporated under the laws of the Province of Ontario
by Letters Patent dated December 23, 1935.)

CAPITAL SECURITIES AS AT MARCH 31st, 1960.

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares without par value.....	750,000	475,000	475,000

March 31st, 1960.

1. APPLICATION

STAFFORD FOODS LIMITED (hereinafter called the "Company") makes application for listing on The Toronto Stock Exchange of 475,000 outstanding Common Shares of its capital stock without par value, all of which are fully paid up and non-assessable shares.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached Prospectus dated November 25, 1959, which forms part of this application.

3. OPINION OF COUNSEL

C.H.A. Armstrong, Q.C., 24 King Street West, Toronto, Ontario, Counsel for the Company, is filing in support of this application an opinion stating that the Company was duly incorporated and organized as a private company, and is now a validly subsisting public company, under the laws of the Province of Ontario, and that the said 475,000 Common Shares have been validly issued and are outstanding as fully paid up and non-assessable shares. Mr. Armstrong is also a director of the Company.

4. INCORPORATION AND CAPITAL CHANGES

The Company was a private company during the period from the date of its incorporation up to November 2, 1959, and during such period issued certain of its preference shares, and redeemed some of the same, and also issued certain of its common shares, but by Supplementary Letters Patent bearing the last mentioned date, the Company was converted into a public company, and its authorized capital was thereby declared to consist of 3,236 5% non-cumulative redeemable preference shares of a par value of \$50.00 each and 750,000 common shares without par value. Since such last mentioned date all of the last mentioned preference shares have been redeemed, and the authorized capital of the Company now consists only of the said 750,000 common shares without par value, of which 475,000 have been validly issued, and are presently outstanding as fully paid and non-assessable.

5. LISTING ON OTHER STOCK EXCHANGES

No application has been made for listing of any securities of the Company on any other stock exchange.

6. STATUS UNDER SECURITIES ACTS

On November 26, 1959, the Company obtained from the Ontario Securities Commission a receipt for all material required under the Securities Act (Ontario). The filing of required material has also been accepted by the Superintendent of Brokers under the provisions of the Securities Act (British Columbia), the Alberta Securities Commission, the Saskatchewan Securities Commission, under the provisions of the Securities Act and Regulations (Manitoba), the Quebec Securities Commission, the Registrar under the Security Frauds Prevention Act (New Brunswick), and the Registrar under the Securities Act (Nova Scotia).

7. DIVIDEND RECORD

See paragraph (zf) on pages 10 and 11 of the attached Prospectus.

8. FISCAL YEAR

The fiscal year of the Company ends on December 31.

9.

ANNUAL MEETING

The By-laws of the Company provide that the annual meeting of the shareholders may be held at the principal office of the Company or elsewhere on such date in each year as the directors may appoint, and that public notice to the shareholders by advertisement shall not be necessary, but that a written or printed notice shall be mailed to each shareholder to his last known post office address, specifying the time and place of such meeting, at least ten days prior to the holding of the meeting.

10.

HEAD OFFICE

The head office of the Company is at 37 Hanna Avenue, Toronto, Ontario.

11.

TRANSFER AGENT AND REGISTRAR

The Toronto General Trusts Corporation, at its offices at Toronto and Montreal, has been appointed transfer agent and registrar of the Company, and certificates are mutually interchangeable at such offices.

12.

TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

13.

AUDITORS

The auditors of the Company are Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, 80 Richmond Street West, Toronto, Ontario.

14.

OFFICERS

OFFICE	NAME	ADDRESS
President and Managing-Director	J. H. Stafford	Stafford Farms, Etobicoke, Ontario.
Secretary-Treasurer	R. V. Bain	117 Willow Avenue, Toronto, Ontario.

15.

DIRECTORS

NAME	ADDRESS	OCCUPATION
C. H. A. Armstrong, Q.C.	47 Elgin Avenue, Toronto, Ontario.	Barrister
R. V. Bain	117 Willow Avenue, Toronto, Ontario.	Secretary
Donald G. Ross	64 Old Forest Hill Road, Forest Hill Village, Ontario.	Investment Dealer
J. Sedgwick, Q.C.	158 Forest Hill Road, Forest Hill Village, Ontario.	Barrister
J. H. Stafford	Stafford Farms, Etobicoke, Ontario.	Executive
T. Wilding	19 Ormsby Crescent, Toronto, Ontario.	Banker

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



STAFFORD FOODS LIMITED

"J. H. STAFFORD", President.
"R.V. BAIN", Secretary-Treasurer.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
Distribution of Common stock as of April 21st, 1960

Number		Shares
1,030	Holders of 1 — 100 share lots.....	68,058
210	" " 101 — 200 " "	40,700
33	" " 201 — 300 " "	9,390
27	" " 301 — 400 " "	10,625
35	" " 401 — 500 " "	17,400
26	" " 501 — 1000 " "	21,602
12	" " 1001 — up " "	307,225
1,373	Stockholders	Total shares..... 475,000

225,000 Common Shares

without par value

Stafford Foods Limited

(Incorporated under the laws of the Province of Ontario)

Registrar and Transfer Agent
The Toronto General Trusts Corporation
Toronto and Montreal

We, as principals, offer 60,000 of these common shares, if, as and when issued by the Company and accepted by us, and the remaining 165,000 of these common shares if, as and when purchased by us from a shareholder of the Company, subject to prior sale and change in price and subject to the approval of all legal matters on our behalf by Messrs. Miller, Thomson, Hicks & Sedgewick, Toronto, and on behalf of the Company by Mr. C. H. A. Armstrong, Q.C., Toronto.

Price: \$5.00 per share

Application for the listing of the common shares of the Company on The Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

We reserve the right to accept applications for these shares in whole or in part or to reject any application and to withdraw this offer at any time without prior notice. It is expected that share certificates in interim form will be available for delivery on or about December 15, 1959.

Ross, Knowles & Co. Ltd.

25 ADELAIDE STREET WEST, TORONTO

EMpire 8-1701

Hamilton
Sarnia

Brantford
Niagara Falls

Sudbury
Brampton

Windsor
London

Mr. J. H. Stafford, President and Managing Director of Stafford Foods Limited, has supplied the following information:

The Company

Stafford Foods Limited (hereinafter referred to as the "Company") was incorporated under the laws of the Province of Ontario in 1935 under the name of J. H. Stafford Industries Limited. The name of the Company was changed to Stafford Industries Limited in 1948 and to its present name in 1950. Mr. J. H. Stafford has been the President of the Company since its inception.

The Company is primarily engaged in the manufacture, processing and sale of a wide variety of food products. These include fruit pie fillings, jams, marmalades, jellies, sundae sauces, soda fountain fruits, syrups and beverages, maraschino cherries, soup bases, canned fruits, mushrooms and asparagus, canned diet fruits, hot chocolate powder, instant chocolate powder, tea, fruit juice powders, olives, jelly powders, pie filling, instant pudding powders, flavours for bakers, fountains and ice cream manufacturers, condiments, ketchup, instant potatoes, spices and the following prepared mixes: cake, bran and corn muffin, doughnut, egg pancake, pie crust and tea biscuit. In addition, drink mixers, mechanical ice cream scoops, fudge warmers, syrup dispensers, fountainettes, hot chocolate dispensers and mixing cups are sold by the Company as soda fountain equipment.

Business

The Company is one of the largest producers in Canada of fruit pie fillings, jams, marmalades and jellies, fountain toppings, chocolate powders and soup bases.

The Company's products are marketed under the trade name "Stafford" with the slogan "Leaders in Fine Foods". Its products are sold by the Company to the grocery trade and to restaurants, hospitals, hotels and institutions. Marketing of the Company's products is divided into two divisions: bulk sales—to restaurants, hospitals, hotels and institutions; and grocery sales—to food chain stores and other retail grocers and to wholesale grocers. Sales of "Stafford" brand products are made predominantly in Canada where distribution is on a nation-wide basis. Bulk sales represent approximately 62%, and grocery sales approximately 38% of annual volume.

The Company maintains a sales staff of over seventy-five salesmen covering Canada from Nova Scotia to British Columbia.

Net sales of the Company have grown from \$209,837 in 1941 to \$4,748,200 in 1958.

Current Operations

It is anticipated that net sales for 1959 will be considerably in excess of \$5,000,000. As shown by the Earnings Report set forth below net earnings, after all charges including taxes on income, for the nine months period ended September 30, 1959 amounted to \$177,038; this is approximately 43% higher than net earnings for the corresponding period of 1958.

Properties

The Company owns a manufacturing plant in Hamilton, Ontario; and sales offices and warehouses in Mount Royal (Montreal), Quebec; St. James (Winnipeg), Manitoba; and Edmonton, Alberta; and, in addition, leases office and warehouse space in Calgary, Alberta and Vancouver, British Columbia.

The Dominion Appraisal Co. Limited of Toronto appraised all the properties owned by the Company and reported the values thereof as at July 11, 1959 to be as follows:

	Replacement Value	Depreciated Replacement Value
984 Barton St. East, Hamilton, Ontario.....	\$450,424.00	\$262,928.29
5400 Ferrier St., Mount Royal (Montreal), Que.....	116,210.00	106,609.10
845 King Edward St., St. James (Winnipeg), Man.....	90,600.00	90,600.00
13155-97th St., Edmonton, Alberta.....	99,990.00	82,477.50
	<u>\$757,224.00</u>	<u>\$542,614.89</u>

The head office of the Company and its Toronto factory and sales office are located at 37 Hanna Avenue, Toronto, Ontario, in the Liberty Building, a concrete and steel structure in the downtown section of Toronto adjacent to the Gardiner Expressway and the railroad, of which approximately 78,000 square feet is leased and occupied by the Company. At this plant the Company produces jams, jellies, marmalades, soup bases, cake mixes, pie crusts, jelly toppings, fountain toppings as well as various other products. The equipment of the Company in this building is of modern design providing for efficient operation, and including a well-equipped laboratory for quality control under the supervision of a graduate laboratory technician. The Liberty Building is owned by Liberty Building Limited. The Company's investment in shares of Liberty Building Limited is shown on the accompanying balance sheet at \$5,420. The book value of this investment as of November 30, 1958, after giving effect to an appraisal of the depreciated value of the lands and buildings of Liberty Building Limited made by Dominion Appraisal Co. Limited as at July 11, 1959, is \$287,658.

The Hamilton property was purchased by the Company in 1950 and consists of 1.247 acres of land with two storey buildings of brick, concrete and timber. Floor space in the Hamilton property is approximately 75,000 square feet and contains modern canning equipment as well as adequate storage space for raw material and finished goods. It is serviced by a railroad siding to facilitate carload shipments to the warehouses in Western Canada. This plant produces fruit pie fillings and canned fruits, mushrooms and asparagus.

The Mount Royal (Montreal) sales office and warehouse is a brick and steel building of one floor, built in 1951 and has approximately 12,000 square feet providing modern warehouse facilities. Finished products are shipped to this warehouse by company-owned tractor trailers for distribution on sales made throughout Quebec and the Maritime Provinces.

The St. James (Winnipeg) sales office and warehouse is a brick, cement block and steel building of one floor, built in 1957 and has approximately 12,000 square feet providing modern warehouse facilities on a railroad siding. Finished products are shipped to this warehouse by railroad from Toronto and Hamilton and are sold throughout the Lakehead region of Ontario and the Provinces of Manitoba and Saskatchewan.

The Edmonton sales office and warehouse was purchased by the Company in 1955. It is of stucco and wood frame construction located on 2.05 acres of land. This warehouse building has approximately 12,000 square feet with modern warehouse facilities. A nearby railroad siding facilitates the shipment of finished goods and these products are sold throughout Northern Alberta, the Peace River District and the Yellowknife.

The sales office and warehouse locations in Calgary and Vancouver consisting of approximately 9,000 square feet and 6,000 square feet respectively, are occupied under short-term leases and are suitably located on railroad sidings to facilitate receiving of shipments from the Toronto and Hamilton plants. Products are shipped from the Calgary warehouse on sales made throughout Southern Alberta and the East Kootenay District of British Columbia. Sales made to customers located throughout British Columbia including Vancouver Island are serviced through the Vancouver warehouse.

The Company anticipates opening a branch warehouse in the near future in the Maritimes which is now being served from the Montreal warehouse.

Management

The management of the Company is thoroughly experienced in all aspects of the business, including the buying of imported fruits, olives, spices and cocoa, and the manufacturing, processing and distribution of the numerous items produced by the Company. Mr. J. H. Stafford has had 40 years experience in the food business. He commenced the present business in 1935, manufacturing fountain fruits and toppings. As the Company added new products the business expanded. In 1940 the Company opened its present branch in Montreal and built a modern warehouse building there in 1951. In 1942 its present branch was opened in Vancouver. In 1943 its Winnipeg branch was opened and in 1957 the Company constructed its present plant there. Edmonton branch was established in 1949—Calgary in 1958.

Mr. J. H. Stafford will continue to manage the affairs of the Company in the capacity of President and Managing Director. The Company has an excellent supervisory staff with many years of experience in all key positions.

Dividends

It is the intention of the directors to declare dividends to the extent that they consider the position and prospects of the Company from time to time warrant.

Purpose of Issue

The net proceeds to be received by the Company from the issue by it of the 60,000 common shares included in the 225,000 common shares offered by this prospectus will be used to the extent of \$161,800 for the retirement at par of all the issued and outstanding 5% non-cumulative redeemable preference shares of the Company and the balance of such proceeds will be used by the Company for its general corporate purposes. None of the proceeds of sale of the remaining 165,000 common shares offered by this prospectus will be received by the Company.

Capitalization

(upon completion of the present financing)

	Authorized	Outstanding
Common shares without par value.....	750,000	475,000

Earnings

The following report has been received from Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, auditors of the Company, with respect to the earnings of the Company for the seven years and nine-months period ended September 30, 1959.

Statement of Earnings

Year ended December 31	Net Sales	Earnings, before deducting depreciation, interest on mortgages and taxes on income	Depreciation	Interest on mortgages	Earnings, before deducting taxes on income	Taxes on income	Net earnings (Notes 1 and 2)
1952.....	\$2,774,233	\$ 82,030	\$ 38,115	\$10,652	\$ 33,263	\$ 4,000	\$ 29,263
1953.....	3,200,732	102,032	39,981	6,656	55,395	25,350	30,045
1954.....	3,678,707	140,793	37,833	5,866	97,094	48,548	48,546
1955.....	3,793,806	180,801	44,600	5,001	131,200	61,000	70,200
1956.....	4,211,581	257,597	50,622	4,989	201,986	92,300	109,686
1957.....	4,641,755	251,555	50,469	4,330	196,756	99,300	97,456
1958.....	4,748,200	332,152	51,181	4,447	276,524	128,500	148,024
9-months period ended September 30, 1959..	4,004,796	398,472	38,216	2,818	357,438	180,400	177,038

Notes:

- (1) Net earnings for the years ended December 31, 1952 and December 31, 1957 include profits on the sale of fixed assets of \$35,000 and \$12,888 respectively.
- (2) Net earnings for the year ended December 31, 1955 include a reversal of amounts provided for doubtful accounts in the previous three years which net of income taxes amounts to \$11,475.

AUDITORS' REPORT

To the Directors

STAFFORD FOODS LIMITED

We have examined the foregoing statement of earnings of Stafford Foods Limited for the seven years and nine months ended September 30, 1959. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the said statement of earnings together with the notes thereto presents fairly the results of the operations of Stafford Foods Limited for the seven years and nine months ended September 30, 1959 in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario,

October 23, 1959.

(signed) PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants.

Stafford Foods Limited
Balance Sheet and Pro Forma Balance Sheet
September 30, 1959

After giving effect in the pro forma balance sheet to:

- (1) Split of existing common shares in ratio of 41½ new shares without par value for each old share of \$1 par value.
- (2) Increase of authorized capital stock of the Company to 750,000 common shares without par value.
- (3) Issue of 60,000 common shares without par value for \$270,000 cash less estimated expenses of \$19,500.
- (4) Redemption of outstanding preference shares at par for \$161,800.
- (5) Cancellation of authorized preference shares.

ASSETS

	Balance Sheet	Pro Forma Balance Sheet
CURRENT ASSETS:		
Cash.....	\$ 2,440	\$ 91,140
Accounts receivable (after \$32,000 allowance for doubtful accounts).....	613,170	613,170
Inventories at the lower of cost or market.....	918,844	918,844
Advance payments on raw materials for future delivery.....	30,041	30,041
Prepaid expenses.....	26,941	26,941
Total current assets.....	1,591,436	1,680,136
INVESTMENTS:		
Shares in Liberty Building Limited at cost.....	5,420	5,420
Cash surrender value of life insurance.....	36,047	36,047
Other investments, at cost.....	1,000	1,000
Total investments.....	42,467	42,467
FIXED ASSETS:		
Land and buildings at cost.....	231,897	231,897
Less allowance for depreciation.....	59,416	59,416
	172,481	172,481
Machinery and equipment at cost.....	469,981	469,981
Less allowance for depreciation.....	332,212	332,212
	137,769	137,769
Leasehold improvements at cost.....	21,856	21,856
Less amounts amortized.....	11,814	11,814
	10,042	10,042
Total net fixed assets.....	320,292	320,292
PATENTS, TRADE MARKS, etc., at cost.....	2,500	2,500
	<u>\$ 1,956,695</u>	<u>\$ 2,045,395</u>

Stafford Foods Limited
Balance Sheet and Pro Forma Balance Sheet
September 30, 1959

LIABILITIES

	Balance Sheet	Pro Forma Balance Sheet
CURRENT LIABILITIES:		
Bank advances—secured.....	\$ 552,788	\$ 552,788
Accounts payable and accrued expenses.....	384,476	384,476
Income and other taxes payable.....	160,054	160,054
Total current liabilities.....	1,097,318	1,097,318
MORTGAGES—annual instalment including interest—\$7,737 to 1966, \$4,020 to 1971, balance payable in 1972. Interest payable at 7% on \$34,438 and 6% on \$19,804	54,242	54,242
SHAREHOLDERS' EQUITY:		
Capital stock:		
Authorized:		
3,256—5% non-cumulative redeemable preference shares of a par value of \$50 each (pro forma—nil)		
15,000 common shares of a par value of \$1 each (pro forma—750,000 shares without par value)		
Issued and outstanding:		
3,236 preference shares (pro forma—nil).....	161,800	—
10,000 common shares (pro forma—475,000 shares).....	10,000	280,000
	171,800	280,000
Earned surplus.....	633,335	613,835
	805,135	893,835
	<u>\$ 1,956,695</u>	<u>\$ 2,045,395</u>

Approved on behalf of the Board:

(signed) J. H. STAFFORD, Director

(signed) R. V. BAIN, Director

AUDITORS' REPORT

To the Directors
STAFFORD FOODS LIMITED

We have examined the foregoing balance sheet and pro forma balance sheet of Stafford Foods Limited as of September 30, 1959. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that, in our opinion:

(1) The said balance sheet presents fairly the financial position of Stafford Foods Limited as of September 30, 1959 in accordance with generally accepted accounting principles.

(2) The said pro forma balance sheet presents fairly the financial position of Stafford Foods Limited as of September 30, 1959 after giving effect as of that date to the transactions set forth therein in accordance with generally accepted accounting principles.

Toronto, Ontario,
October 23, 1959.

(signed) PEAT, MARWICK, MITCHELL & Co.
Chartered Accountants.

STATUTORY INFORMATION

(a) The full name of the Company is Stafford Foods Limited (hereinafter referred to as the "Company") and the address of its head office is 37 Hanna Avenue, Toronto, Ontario.

(b) The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated December 23, 1935. Supplementary Letters Patent dated October 15, 1942, June 29, 1948, June 30, 1959 and November 2, 1959 respectively were issued to the Company. By Order of the Provincial Secretary of Ontario dated November 24, 1950 the Company's name was changed to its present name.

(c) The general nature of the business actually transacted by the Company is the purchase, manufacture, processing, and sale of a wide variety of food products and sundry items.

(d) The name in full, present occupation and home address in full of each of the officers and directors of the Company are as follows:

Officers

JOHN HOWARD STAFFORD.....	President and.....	Stafford Farms, Etobicoke, Ontario.
	Managing Director	
RALPH VERNON BAIN.....	Secretary-Treasurer.....	117 Willow Avenue, Toronto, Ontario.

Directors

CHARLES HAROLD ALGEO ARMSTRONG, Q.C.....	Barrister.....	47 Elgin Avenue, Toronto, Ontario.
RALPH VERNON BAIN.....	Secretary.....	117 Willow Avenue, Toronto, Ontario.
DONALD GORDON ROSS.....	Investment Dealer.....	64 Old Forest Hill Road, Forest Hill Village, Ontario.
JOSEPH SEDGWICK, Q.C.....	Barrister.....	158 Forest Hill Road, Forest Hill Village, Ontario.
JOHN HOWARD STAFFORD.....	Executive.....	Stafford Farms, Etobicoke, Ontario.
THOMAS WILDING.....	Banker.....	19 Ormsby Crescent, Toronto, Ontario.

(e) The auditors of the Company are Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants, 80 Richmond Street West, Toronto, Ontario.

(f) The Toronto General Trusts Corporation at its offices in the Cities of Toronto and Montreal is the Registrar and Transfer Agent for the common shares in the capital stock of the Company.

(g) The authorized capital stock of the Company consists of 3,236 5% non-cumulative redeemable preference shares of the par value of \$50 each and 750,000 common shares without par value of which, at the date hereof, 3,236 of such preference shares and 415,000 of such common shares have been issued and are outstanding as fully paid.

(h) All of the 3,236 authorized and issued 5% non-cumulative redeemable preference shares of the par value of \$50 each in the capital stock of the Company will be redeemed out of the proceeds of the issue of 60,000 of the shares offered by this prospectus.

(i) No bonds or debentures are outstanding or proposed to be issued. Except as shown on the accompanying balance sheet of the Company and except for such securities as may be issued in the ordinary course of business, no other securities are issued or proposed to be issued, which, if issued, would rank ahead of or *pari passu* with the common shares offered by this prospectus.

(j) Except for such bank loans as may be incurred in the ordinary course of business, the Company does not propose to create or assume any substantial indebtedness. Any such bank loans may be secured by customary banking security.

(k) No securities of the Company are covered by options outstanding or proposed to be given by the Company.

(l) The number of securities offered by this prospectus, their correct descriptive title and the price to the public are as stated on the face of this prospectus to which reference is expressly made. The price payable to the Company for the 60,000 common shares to be issued by the Company is \$4.50 per share payable in cash against delivery of certificates therefor, as set out in paragraph (p) below.

(m) The net proceeds to be derived by the Company from the sale of the 60,000 common shares to be issued by the Company on the basis of such shares being fully taken up and paid for is \$270,000. Expenses of the issue payable by the Company, estimated at \$19,500, will be paid out of the general funds of the Company.

(n) The net proceeds to be received by the Company from the issue by it of the 60,000 common shares included in the 225,000 common shares offered by this prospectus will be used to the extent of \$161,800 for the retirement at par of all the issued and outstanding 5% non-cumulative redeemable preference shares of the Company and the balance of such proceeds will be used by the Company for its general corporate purposes. None of the proceeds of sale of the remaining 165,000 common shares offered by this prospectus will be received by the Company.

(o) No minimum amount, in the opinion of the directors, must be raised by the issue of the 60,000 common shares to be issued by the Company and forming part of the shares offered by this prospectus in order to provide funds for:

- (i) the purchase price of any property purchased or to be purchased by the Company,
- (ii) the payment of preliminary expenses by the Company,
- (iii) any commission payable by the Company to any person in consideration of his agreeing to subscribe for or procuring or agreeing to procure subscriptions for any shares in the Company,
- (iv) the repayment of any moneys borrowed by the Company in respect of the foregoing matters, and
- (v) the repayment of bank loans.

(p) Under an agreement dated October 14, 1959 between the Company, Mr. J. H. Stafford and Ross, Knowles & Co. Ltd.:

- (i) the Company agreed to issue and Ross, Knowles & Co. Ltd., agreed to subscribe for 60,000 common shares in the capital stock of the Company at the price of \$4.50 per share, and
- (ii) Mr. J. H. Stafford agreed to sell and Ross, Knowles & Co. Ltd., agreed to purchase 165,000 common shares in the capital stock of the Company at the price of \$4.50 per share

both such transactions being subject to the terms and conditions contained in the said agreement.

(q) The by-laws of the Company contain the following provisions with respect to remuneration of the directors:

"The remuneration to be paid the directors shall be such as the board shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Company

who is also a member of the board of directors. The directors may also by resolution award special remuneration to any director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a director by the Company and the confirmation of any such resolution or resolutions by the shareholders shall not be required."

(r) The aggregate remuneration paid by the Company during its last financial year to the directors of the Company as such was nil and it is estimated that the aggregate remuneration which will be paid by the Company to its directors as such during the current financial year will be nil. The aggregate remuneration paid by the Company during its last financial year to officers of the Company as such who individually received remuneration in excess of \$10,000 per annum was \$30,000 and it is estimated that the aggregate remuneration to be paid by the Company during the current financial year to officers of the Company as such who individually may be entitled to receive remuneration in excess of \$10,000 per annum will be \$30,000.

(s) No amount has been paid by the Company within the two years preceding the date hereof or is now payable as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company.

(t) The Company has been carrying on business for more than three years.

(u) (v) No property has been purchased or acquired by the Company or is proposed to be purchased or acquired, the purchase price of which is to be defrayed in whole or in part out of the proceeds of the issue of the 60,000 shares to be issued by the Company or has been paid within the last two preceding years or is to be paid in whole or in part in securities of the Company, or the purchase or acquisition of which has not been completed as at the date of this prospectus, other than transactions entered or to be entered into in the ordinary course of operations or on the general credit of the Company.

(w) No securities have been issued or agreed to be issued by the Company as fully or partly paid up otherwise than in cash within the two years preceding the date hereof. Reference, however, is made to the stock dividend referred to in paragraph (zf) hereof.

(x) No obligations are being offered by this prospectus.

(y) Except in the ordinary course of operations no services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus nor have been within the two years preceding the date hereof or are to be paid for by securities of the Company.

(z) No amount has been paid within the two years preceding the date hereof or is intended to be paid to any promoter.

(za) Apart from contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company the only material contract entered into by the Company within the two years preceding the date hereof is the agreement referred to in paragraph (p) hereof. A copy of this agreement may be inspected during ordinary business hours at the head office of the Company during the period of primary distribution of the securities offered by this prospectus.

(zb) The Company does not propose to acquire any property in which any director of the Company is interested.

(zc) Neither the Company nor its President, Mr. J. H. Stafford, has any interest, financial or otherwise, in a newly formed food company Jack D. Stafford Enterprises Ltd.

(zd) Mr. J. H. Stafford, the President of the Company, by reason of beneficial ownership of common shares of the Company is, and after completion of the transactions referred to in paragraph (p) hereof will be, in a position to elect all of the directors of the Company.

(ze) No securities of the Company are held in escrow.

(zf) On the 29th day of June, 1959 the Company declared a cash dividend aggregating \$605 payable, to the holders of preference shares of record as of that date, on or before the 31st day of December, 1959. On

the 30th day of June, 1959 the Company declared and paid a stock dividend of \$342,900 (consisting of 6,858 5% non-cumulative redeemable preference shares of the par value of \$50 each) on its outstanding common shares all of which are and then were beneficially owned by Mr. J. H. Stafford, the President of the Company. The Company, on June 30th, 1959, redeemed \$193,200 aggregate par value of this stock dividend and the balance thereof will be redeemed by the Company out of the proceeds of the issue of the 60,000 common shares referred to in paragraph (p) (i) hereof. Apart from the foregoing no dividends have been paid by the Company.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by the Quebec Securities Act, by Part IX of The Securities Act, 1955 (Alberta) and by Section 39 of The Securities Act, 1954 (Saskatchewan) and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Toronto, Ontario, November 25, 1959.

Directors

(signed) C. H. A. ARMSTRONG

(signed) J. SEDGWICK

(signed) R. V. BAIN

(signed) J. H. STAFFORD

(signed) DONALD G. ROSS

(signed) T. WILDING

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by the Quebec Securities Act, by Part IX of The Securities Act, 1955 (Alberta) and by Section 39 of The Securities Act, 1954 (Saskatchewan) and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

ROSS, KNOWLES & Co. LTD.

by (signed) T. H. BAKER

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital stock of Ross, Knowles & Co. Ltd.: Donald G. Ross, G. C. Knowles and S. M. MacKay.

